GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5745
ANSWERED ON:30.08.2001
DROPPING OF MW SAWALI POWER PROJECT BY IOCL
JAYABEN B. THAKKAR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indian Oil Corporation Limited has decided to drop the 500 MW Sawali Power Project in Gujarat; and

(b) if so, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) &(b): The project is not being pursued further by Indian Oil Corporation Limited for the following reasons:-

(i) The additional provision of Flue Gas Desulphurisation unit to meet the environmental stipulations coupled with US Dollar appreciation resulted in sharp increase in the project cost.

(ii) Steep hike in crude oil prices resulted in increase in the fuel cost.

(iii) Non availability of payment security mechanism has resulted in uncertainty of power off-take.